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ABSTRACT

The Maldistribution Thesis (whether a maldistribution in skilled manpower, accumulated wealth, and their implied production of income, goods, and services is demonstrable and the extent to which the thesis explains poverty) is at least in part testable by the amount that redressing old imbalances contributes to the increased income, improved life circumstances, and diminishment of out-migration of the rural Southern poor. The maldistribution of resources is described by geographic and socioeconomic factors, income protection programs, schooling and vocational training, farm income supports, rural housing, and rural-urban allocations in Federal programs. The need for professional health and legal and social services is described, along with ideas on area development versus income guarantees. It is concluded that the Maldistribution Thesis will not likely be put to an adequate test until the political climate in the nation, and particularly the South, shifts away from maldistribution and toward redistribution. (PS)

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The Maldistribution Thesis of Poverty:

How Much of Rural Southern Poverty Can It Explain?

by George Thomas, Ph.D.*

The case for the Maldistribution Thesis rests squarely upon whether a maldistribution in skilled manpower, accumulated wealth, and their implied production of income, goods, and services is demonstrable. Secondly, the extent to which the thesis explains poverty is at least in part testable in terms of the amount that redressing old imbalances contributes to the increased income, improved life circumstances, and diminishment of out-migration of the nonmetropolitan Southern poor.

Reductions in the rate and persistence of poverty and in the migration behavior of the nonmetropolitan poor directly associated with geographic and/or socio-economic advances toward greater balance in the distribution of resources can be taken as supportive of this causal explanation.

The Case for a Maldistribtuion of Resources: Geographic and Socio-Economic

The Maldistribution Thesis has an important place in American folklore about poverty as reflected in such commonplace adages as "the rich get richer and the poor get poorer." Socio-economically, those born to or otherwise enjoying a competitive edge in acquiring resources are simply in a better position to accumulate more and more over time. Geographically, the old saw, "them that's got gets and them that don't gits," bespeaks the belief that the only way up under such circumstances is out.

The academic equivalents of this more colorful terminology are found among a variety of poverty theorists. Seligman, among many others, proposes, for example, that poverty and its intergenerational transmission are chiefly caused by the inadequate distribution of medical care, skills, retirement programs, education, and the like, within the socio-economic structure.[1]

Others have attempted to explain geographic concentrations of poor people in the rural South as a consequence of larger national changes in overall productivity stemming from technological advances which have had particularly strong impact on impoverishing the Southern agriculturally oriented economy.[2] These views are adequately summed up by the following quotation:

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> Rural poverty is caused mainly by a long-term secular, structural change that has reduced employment, in farming and in relatively stable or even declining area non-agricultural jobs. This situation has been accompanied by high birth rates. Adjustments requiring mobility by rural people are made more difficult by limited occupational experience...and by problems of shrinking rural population and tax base...These conditions have created the large geographic areas in which the major proportion of the population suffers from prolonged poverty.[3]

Whatever the reasons, analyses have yielded estimates that rural Southern poverty is changing little within the context of growing national affluence, and over time the income gap between the rich and poor has widened.[4] The accuteness of this maldistribution in rural areas is illustrated by Coffey's findings that farm income is most unequally distributed precisely in those states having the highest overall farm income.[5]

Income Statistics are, of course, the data most commonly used to show graphically how imbalanced resources are, both geographically and socio-economically. As often as not a formula is applied to the present distribution of incomes to illustrate how redistribution would have to occur to eradicate poverty. The extensive literature on guaranteed annual income schemes, which should be known to the reader, illustrates this point.

In its most straight-forward form, the Maldistribution Thesis explains poverty in terms of an inadequate distribution of national personal income. Yet there is considerable substance behind this apparent simplicity in the sense that the obvious imbalance in incomes is often directly or indirectly attributed to imbalances in existing skilled manpower, industrial investment capital, program benefit, and motivational distributions among the various geographic regions and social strata.

The important points to bear in mind are that current national resources are assumed adequate to resolve nonmetropolitan Southern poverty and that insuring equal opportunity to access under the current maldistribution of resources will <u>not</u> yield this desired resolution.

Income Protection Programs

Income protection programs are a good place to begin in marshalling evidence for the Maldistribution Thesis. It can be noted that a variety of state administered programs of this type are neither redistributive in nature, nor are they capable of preventing previously non-poor people from falling into poverty should they need to rely upon them.

Unemployment Compensation programs in the several states, for example, do not pay above 50 percent of average weekly wages; moreover, all have maximums which further limit the size of benefits. As a general rule, therefore, the lower the earnings, the lower the benefits.

Workman's Compensation programs have been shown to have at least minor redistributive properties in the sense that the percentage of projected life-time earnings covered under the programs is slightly higher for low-income earners. However, many rural poor people are not covered by this program; and, even if full coverage is obtained the percentage benefits are so low in all the regional states except Florida that it is unlikely that such benefits would either prevent entrance into or facilitate escape from poverty.

In public assistance programming the total inadequacy of General Assistance provisions and the total absence of an AFDC-UP program within the region are worth noting. Additionally, average AFDC monthly case payments in all states in the region have been shown to be well below the national average. In no state in the region do the basic need formulas used to compute monthly benefits yield a figure exceeding the Orshansky poverty line for female headed households of a given size.

By 1967, 29 states continued to pay less than their own definitions of basic needs under their AFDC programs and, for the nation as a whole, AFDC payments averaged only 58 percent of the poverty line.[6] As of mid-1968, 7 of the 8 states in the region continued this pattern.

The Maldistribution Thesis gains some support from the fact that several states in the region also failed to meet their own definitions of basic need under Old Age Assistance programs at that time, as shown in Table 1.

Insert Table 1

The reason for this interpretation is that it is generally conceded that income programs for the aged are more acceptable to the public than those for women with children. Hence, if resources were available, it is likely that the states would meet their own definitions of need for their elderly citizens.

These programs in the aggregate are neither redistributive nor capable of delivering income to poor people in the several states at levels above current poverty lines. It is clear from this that even if all these programs were operating at optimum levels (full coverage and full provision of benefits) the impact upon poverty would be neglibible.

Schooling and Vocational Training

Throughout the rural parts of the nation school consolidation proceeded at a rapid pace in recent years in part because it was the only reasonable way to meet educational needs under conditions of spiraling costs and shrinking local tax bases. By the mid-60's school consolidation had occurred in well over half of all rural school districts. Local government investment in education continued to be substantial during this time: expenditures on education were estimated to exceed 7.3 billion dollars, or over 54 percent of all local revenues.[7]

Something of the crisis facing rural education can be seen in the estimates that it takes a base of 3500 people to provide the tax revenue to economically run a school, and that in many states up to 95 percent of local school revenues derive from one form of local property tax or another.[8] Shrinking populations in some rural areas obviously are contributing to increasing the severe shortage of resources for education.

The situation likely is worst in the most heavily poverty stricken areas of the rural South. Recalling that it is in precisely these areas that the proportion of youth in the population is growing rapidly, it is clear that we have a rising demand for education coupled with extremely limited capability in terms of tax revenues.

Moreover, state administered federal programs set up to assist local school districts are contributing to the problem rather than relieving it. In a study of 3,081 U.S. counties all having some rural population, Zimmer discovered that present formulas for assisting local school districts tend to favor the more urban, better-off districts. This is so because federal programs provide matching funds on a per child estimate of operating costs. Since such expenditures tend to be higher per child in more affluent districts, those districts receive a disproportionate share of available assistance funds.[9] This literally is a case of the rich getting richer and the poor falling further behind.

Vocational training and rehabilitation programs in the rural South also are hard pressed by existing maldistributions in resources, although of a different sort. Program financing is not so much the problem; rather such programs often face a critical lack of locally available employment placements for post trainees. There seems to be general agreement and concern that in the absence of employment placements such programs will become perceived by rural Southerners as just more welfare programs.[10] In fact, a review of the lack of success of various programs of this type has caused one authority to question whether realistically, these programs can be other than "make work" in nature.[11]

Finally, the question of the availability of employment in

rural areas is compounded by the great distances rural people often live from such employment. That is, even if work were to be located in rural areas, this does not mean that rural people would have ready access to it.[12]

In sum, there is some basis for concluding that resources necessary to provide adequate education and insuring the success of vocational training are not distributed properly enough to accomplish such goals for the poor in the rural South.

Farm Income Supports

We have already noted that those states with highest aggregate farm incomes are also those with the most unequal distributions of farm income. Much that is paradoxical in this finding is explainable in terms of federal farm income support programs which were originally set up to hasten the change from subsistence to commercial farming.[13] Clearly, these programs reward the successful commercial farmer and benefit the small farmer--who constitutes a large proportion of those still in farming in the South--very little.* Moreover, even if these programs were altered to be redistributive, two thirds of the rural poor would not be affected because they have no direct connection with farming.[14] For both these reasons, the rural Southern poor benefit little from present farm income support programs.[15]

Rural Housing

Credit and loan resources available for home construction, repair, and purchase are in woefully limited supply in rural areas--particularly the South--from private banking and lending institutions. While 57 percent of all mortgage funds invested in real property came from Savings and Loan Associations, for example, only 15 percent was invested in rural areas in 1959.[16] Moreover, as late as 1965, only 3 percent of all Savings and Loan Institutions served rural areas in the South, representing about 1 percent of all such service activity carried out by such businesses.[17]

The record of other lending institutions was no more enviable. Insurance companies invested 22 percent of all funds in real property in 1959, only 10 percent of this in rural areas. Commercial banks did a little better, investing 21 percent of all its mortgage funds in real property, 50 percent of which was in rural areas.[18]

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*This seems historically as well as currently true. Professor Holly's analysis of New Deal programs aimed at rural areas in the South reveals that while the black farmer was uprooted in large numbers (est.200,000), only 9 of the total of 150 rural resettlment programs were aimed exclusively at this group through the F.S.A. programs. Address by D. Holly at American Historical Association, Boston, as quoted in the New York Times, 1-17-71.

Federal Programming in the matter of subsidizing rural housing has shown improvement in recent years. In fiscal 1965, 133 million dollars in loans to individuals were made under the Rural Housing program. As of 1968, the dollar figure had risen to a combined outlay of 1.4 billion under Title V of the Housing and Urban Development Act of 1968. Eight hundred and three million dollars of this figure went in loans to individuals for home purchase and farm improvement benefiting a total of 400,000 low income rural residents.[19]

Small comfort is afforded by these impressive increases in funding in recent years, however, when note is taken of the fact that rural housing programs--from the New Deal to the present--simply are not open to use by the very poor. This is reflected in the fact that although the Farmers Home Administration was set up in part to make loans to low-income families, it has historically had less than a 1 percent loss rate. This clearly indicates that the very poor have never gotten an appreciable number of loans; if they had, no doubt the loss rate would have been considerably higher.[20] Also as late as January, 1971, testimony by HUD officials before the Senate Select Committee on Nutrition and Human Needs revealed that present housing programs simply were not doing an equitable job for the rural poor.[21] Among other facts brought out were that rural America has received less than 20 percent of the nation's public housing to date although 50 percent of the nation's poor reside there and 67 percent of all inadequate housing is rurally located.[22]

One of the major program gaps illuminated by the Committee related to the fact that the Federal Housing Administration does not operate effectively in communities of less than 25,000 while the Farmers Home Administration cannot operate in towns larger than 5,500.[23] Hence, large numbers of people in communities of intermediate size go totally unserved. After 30 years of programing, it remains that almost 1,200 counties, mostly nonmetropolitan, do not yet have a federal housing program.[24] In nonmetropolitan areas, moreover, 34,000 communities lack modern water facilities and 44,000 communities do not have adequate sanitation facilities.[25] In all of this, the rural South seems to suffer more severe inadequacies than other rural parts of the nation.[26] Hence while allocations are up, subsequent testimony reveals disappointing details about the extent to which the rural poor are actually benefiting. The picture is rather dismal in that it suggests that increased appropriations under the existing system of allocating funds simply will not be of major assistance to the rural poor. This lends more credence to the basic proposition of the Maldistribution Thesis that resources are available but poorly allocated.

Rural Urban Allocations in Other Federal Programs

A review of federal program expenditures in 1966 accomplished by the Advisory Commission on Intergovernmental Relations disclosed that, by and large, program allocations aimed at helping the poor were being disproportionately invested in urban areas. For example, of $6.8 million granted by the Office of Economic Opportunity (OEO) in 1965 for small business loans, 65 percent of all loans representing 56 percent of all such expenditures went to individuals in 3 Northern urbanized states (Michigan, Illinois, Pennsylvania) and the District of Columbia. Again, only about 20 percent of the total cumulative expenditures under the Manpower Training and Development Act of 1962 (MTDA), The Vocational Education Act of 1963, and the Economic Opportunity Act of 1964, had found their way to rural areas by mid-1965.[27]

All of this suggests gross imbalance in the distribution of resources through federal programing, coupled with severe lack of resources in rural areas, particularly the South, in reference to financing for housing, education, and other matters. These data should be born in mind in evaluating a recent report which shows that every Southern state except Florida currently receives more federal aid annually than they individually pay out in the form of federal taxes.[28] This apparent redistribution through the medium of federal programing is less than reassuring when we examine, as we have, the extent to which these program dividends actually benefit the rural Southern poor. Moreover, the widening gap between federal program authorizations and appropriations suggests that these programs, however ineffective presently, are likely to be even less effective in correcting resource imbalances in the near future. A full analysis of congressional program authorizations and appropriations for the years 1966 and 1970 shows that appropriations were 80 percent of authorizations in 1966 but fell to 65 percent by 1970. Hardest hit by underfinancing were precisely the programs most likely to be of benefit to the poor, those administered by the Department of Health, Education and Welfare, and the Office of Economic Opportunity.[29]

Professional Services: Health, Legal and Social Services

Health Services

Major support for the Maldistribution Thesis comes from a recent HEW report on health services for the poor, as follows:

Given current estimates that about $200 per year per person

> would purchase 'good' health care, if resources were applied for maximum benefit, current governmental expenditures (about 4.6 billion by state and local government in 1968) would cover the major costs of health services for the poor. While this degree of efficiency is rarely found in any system, it seems clear that much room for improvement exists in the delivery of health services and in the structure of federal programs impacting on the health of the poor.[30]

The moral of this passage is, of course, that facilities, financing, and manpower in the health field may be adequate to overall need but inadequately distributed. This seems to be the case for the rural South when an overall impression is drawn from a scattering of data on health facilities, manpower, and unmet need.

Insert Table 2

In general terms, the South appears to be keeping pace with national rates for hospital beds per 1,000 population, while falling somewhat behind national rates in provision of nursing home facilities.[31]* At the same time, neighborhood health centers are extremely scarce. While these data are not overly impressive to begin with, they mask the extent to which facilities are probably deficient in rural areas. For instance, as late as 1962 urban areas actually had twice the number of hospital beds per 1,000 population comparing to rates in isolated rural areas.[32] Data also indicate that only 5 health centers were serving the rural population of the region as of 1968. Professional manpower in the health services in the South are also lagging according to other figures.

Insert Table 3

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* Consistent with these data are recent data on amount of participation in the Medicare program as reflected in the number and distribution of manpower and facilities utilized. Data indicate the South compares favorably in such matters as number of hospitals and number of nursing beds, but lags in professional technical manpower (see: U.S.D. H.E.W., S.S.A., Health Insurance Statistics, 1971).

Every state in the region is well below national averages in all three categories of professional manpower per 100,000 population, with the lone exception of the large number of registered nurses practicing in Florida. Only Florida and Tennessee exceed the National Medical Association's (NMA) estimate that a minimum of 100 doctors per 100,000 people is necessary to deliver adequate health care.[33] Production of health service professionals within the states with few exceptions may not be adequate to keep pace with present ratios of personnel to population let alone improve upon them even in the unlikely event that population growth were held to zero. Take, for example, Mississippi's record of producing no dentists, only 17 registered nurses, and 65 medical and osteopathic doctors during the year of 1968.

And this is not the whole of it, since for various reasons professionals leave practice and locate in places where the best facilities and remuneration prevail. Therefore, even if personnel were being produced in numbers adequate to match the needs of growing populations and replacement, a clear possibility exists that their distribution would continue to produce inadequate services particularly for the rural poor in the region.

There is, of course, more to go on here than supposition. For example, it has been recently estimated that at least 5,000 rural communities in the U.S. have no access to a doctor.[34] This clearly suggests that professional health personnel are not flocking to rural areas.

Racial discrimination may well be a continuing factor in this geographic maldistribution of medical personnel both within the region and in comparing the region to the remainder of the country. Blacks have been virtually excluded from medical education in the past with the result being that of 317,000 doctors in the U.S. today, only about 2 percent, or 6,000 are blacks. The National Medical Association has estimated that about 30,000 black doctors are currently needed to service the primary medical needs of black citizens. The situation is most stark in the South where, for example, in Mississippi there are currently an estimated 900,000 black people but only 46 black doctors, or 1 per 19,000 population.[35]

The outcomes for the nonmetropolitan poor in the South of this maldistribution of health personnel are perhaps best illustrated by citing some recent studies of unmet medical needs among this part of the region's population.

Pearman has reported on a study of the unmet medical needs of 1177 black and white children in 389 families associated with Head Start programs in 6 rural north Florida counties.[36] All these families were in poverty because their income had to fall below $3,000 per year in order to participate in the program.

His findings show that infant mortality rates did fall in these families between 1960-67 but that 70 percent of the children needed dental care, hypochromic anemia was common and over 50 percent had not been immunized against smallpox, diptheria, tetanus, pertussis, and poliomyelitis. Health care was notably less for black than for white children and by an large, medical services of all sorts within the counties fell well below national averages.

Unattended medical needs among adult family members in nonmetropolitan poverty are to some extent estimable from a recent study of unmet family planning needs among nonmetropolitan, medically indigent women.

Insert Table 4

These data show how limited programing is within the region on matters of family planning for the poor in or out of the cities. While services are somewhat limited throughout the region, those that are being delivered are disproportionately delivered to metropolitan residents in most of the states, as comparison of the figures in the two extreme righthand columns in the table disclose. While all states--with the exception of Tennessee--exceed the national average in delivering such services to the nonmetropolitan poor, only Mississippi and South Carolina are doing so in proportion to the size of the need represented by people in nonmetropolitan areas.

Other studies could be cited to support the point illustrated here that the nonmetropolitan poor are the recipients of grossly inadequate medical care. Combined with other data showing imbalances in the distribution of manpower and facilities between the South and the rest of the nation, it is possible to speculate that maldistribution makes a substantial contribution to the unmet medical needs of the nonmetropolitan Southern poor.

Legal and Social Services

Good data on the availability of legal service for the poor in the South are hard to come by. Inferences can be made from data showing less than 1 percent of Southern lawyers to be black, that representation of poor blacks may suffer from a lack of legally trained personnel within their racial group.[37]

We can also infer inadequate legal counseling from the fact that Southern states have been notable in their apparent antipathy toward implementing Legal Aid Services provided for in the Economic Opportunity Act and administered by the OEO.* The "Store Front

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*See the recent article by J.Rosenthal on OEO legal aid program for Jackson, Mississippi to witness both the politics involved and the program results of same in a Southern State. "Mississippi Gets Legal Services to "Poor" New York Times, January 17, 1972.

Lawyer" is apparently not as much of a fixture in the nonmetropolitan South as he is in other parts of the country or on TV.[38]

Finally, major fact-finding and planning studies which have focused on the rural U.S. rarely mention legal services as a component instrument in eradicating poverty.[39] While we have ample evidence as to how our system of law and justice may work against poor people,[40] it seems little effort has gone into assessing how much legal service is available to the poor, especially in nonmetropolitan areas. This matter is a fit subject for further exploration and research.

Estimates of the availability and distribution of social services in the South are no easier to come by. For some reason the best minds in the field of social services in rural areas have concentrated on producing doomsday predictions and/or grandeloquent plans rather than documentation of need and service delivery capacity.

Ginsberg, for example writes that there is a great need for community organization activity in rural America and that "it is evident, a major need [exists] for the basic social services in rural communities".[41] But from his writings--and those of others--we do not discern what these basic service needs are, where they exist or do not at present in rural areas, and what kind, how many, and where needed professional service personnel currently practice.

Moreover, statistics on social services provided to poor people in rural areas through volunteer agencies and programs simply do not exist. Statistics for public agencies are, on the other hand, basically aggregated for states, thereby making it difficult to assess the extent to which available service provisions reach nonmetropolitan and rural poor residents.

From such state statistics we can at least gain a rough impression of the quantity of service delivered for some kinds of programs through public assistance departments. The kinds of social services most concretely measurable are those related to the provision of institutional care for the elderly, disabled, blind, and young among the welfare client population in the South*

Insert Table 5

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558 CAP programs were operating in the South represent about 27.5

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*However, there are serious problems in gathering statistics on institutionalized persons related to institutional reporting techniques and other matters. See: The President's Commission on Income Maintenance Programs, Background Papers, 1970, 158-160.

percent of all such programs operating in the U.S. as of the end of 1968. In the matter of public assistance supported institutional care services, and data are spotty but would seem to support a tentative conclusion that only Tennessee of the states in the South supports such services on anything approaching a large scale. And still the question remains unanswered as to the extent that the nonmetropolitan public assistance poor share in these limited number of programs of very limited size.

Not a great deal can be inferred from this limited information, and anything beyond what we can infer is pure guess work. This is so because leaders in the field of social welfare have yet to declare precisely the nature of social services (as distinct from health and economic services, for example). It is difficult under these circumstances to establish meaningful estimates of the extent of unmet need among the nonmetropolitan poor and how qualified need be the personnel to deliver required services.

No worthwhile purpose would be served by groping further. It seems sufficient to say that insofar as Maldistribution Theorists link inadequate legal and social services to the rate and persistence of poverty, their position suffers by inadequate conceptualization of the nature of such needs among the nonmetropolitan poor in the South and insufficient documentation of the scope and degree of imbalance extant in the financial and manpower distributions within such service programs.

Regional Industrial-Employment Growth and Distribution

The South not only exported great numbers of people during the decade of the 50's, it also experienced a deterioration in its aggregate wealth during that period. This deterioration was reflected in a relative decline in per capita income vis a vis other regions in the nation. This decline in turn, has been attributed to the nature and quality of industrial productivity in the South which required less skilled manpower and was less mechanized than was true of other regions.

Export of the products of such low technology processes yielded a trade imbalance for the South largely because higher priced goods and services needed to satisfy consumer demand had to be imported. Costello shows that this import-export trade deficit increased during the 50's. Using a standard import-export trade index of 100 for the year 1947, he indicates that the index declined to 77.2 by 1958, a trend reflecting an increasing drain on regional resources already less than adequate to meet regional needs.[42]

With the advent of the 60's the South experienced something of a change in fortunes. Per capita income rose

more rapidly in most areas of the South during the 60's than was the case for the nation as a whole. Productivity in manufacturing industries, a bellwether indicator of the economic well-being in a geographic area, also showed some dramatic increases in the South. For example, the total value of shipments in manufacuting industries in the 8 states in the regions rose from roughly $53.6 billion in 1964 to $72.2 billion by 1967. Investment in expansion and improvements also advanced noticeably during the decade as evidenced in the fact that new capital expenditures in manufacturing industries rose from approximately $1.3 billion in 1960 to $3.2 billion in 1967.[43]

When these figures are broken down on a state by state basis it can be shown that every state in the region advanced rather dramatically in the 60's.

Insert Table 6

However, there is also need for caution when the distribution of such gains among the states in the region is examined. Impressive percentage increases over the decade among the least industrialized states in the region have not led to any obvious trend toward equalizing the distribution of industrially related resources in the region. For example, Mississippi remains last in the rankings even though value-added more than doubled during the decade and new capital expenditures increased almost sixfold (from $40.9 million in 1960 to $276.2 million in 1967). New capital expenditures in Mississippi in 1967 remained less than half of the outlay in North Carolina during the same year ($664.6 million).

We are concerned with measuring the extent and distribution of industrial growth in the region in the 60's for two reasons: first what does such growth mean in terms of revenue yields for local governments necessary for the underwriting of new and expanded services and secondly, what does it mean in terms of new jobs and improved incomes for the people of poverty?

On the first matter it is clear from a recent study of property tax assessments within the states of the region that business expansion has not produced a horn of plenty relative to tax revenues during the last decade. Davis and Miller, concluding that property taxes will remain the basic source of tax revenue for local governments in the Southeastern states for the foreseeable future, made a study of property tax assessments in the various states for the 1956-66 period.

Drawing on data from the Census of Government Reports for 1957, 1962, and 1967, the authors constructed elasticity coefficients for

tax assessments on property, which reflect the likely growth in tax bases vis a vis a corresponding growth in state income. An elasticity coefficient larger than 1.0 indicates that the percentage increase in the tax base is greater than the percentage increase in income over a given time period. Thus, if the income elasticity of the property tax base is 1.5, then a 1 percent increase in income will increase the tax base by 1.5 percent.[44]

Data from this study indicate that the property tax revenue base for commercial-industrial properties did not increase over the 1956-66 decade at a rate exceeding the base for residential properties, except in South Carolina and Mississippi.

Insert Table 7

The picture is not overly bright on a number of counts. In 4 of the 8 states, the total property tax revenue base did not even keep pace with income growth during the 1956-66 period, and in all but two of the states the major burden continues to fall upon residential property holders, indicating revenues from commercial-industrial sources are not relieving the intense tax pressures on home owners.

Several reasons are advanced for the apparent shrinkage in local tax revenue bases which have to do with policy and assessment procedures surrounding property tax operations in the Southeastern states. For example, tax exemptions are high in these states comparing to states outside the region. In Mississippi 23.9 percent of gross valuation is exempted, the figures for Georgia and Florida being 18.8 and 18.0 percent respectively. Most of these percentages are accounted for by homestead exemptions.

Secondly, beside the fact that commercial-industrial properties are in short supply within the region, such properties have been "notoriously undervalued," partly as an inducement to relocate in economically depressed localities. Overall, those states which show the most healthy total property tax bases (Florida, Georgia, and Kentucky) are those which undertook revaluations of property during the decade.[45]

This latter fact suggests that property tax policy has been self defeating in some states and that revaluations could add substantially to local revenues needed to provide services. As things stand, however, it is fairly clear that a simple increase in commercial-industrial activity itself would not and has not provided the tax revenue necessary to the creation and expansion of public services within the jurisdictions of local governments in a great many communities in the Southeast.

This section started on the bright note that the South has shown

encouraging growth and increasing sophistication in industrial activities in recent years. It proceeded to show that such growth has not necessarily proven a boon to local governments trying to finance needed services. Finally, we may ask, to what extent has such activity benefited the non-metropolitan poor directly in terms of employment and income?

The probable conclusion here is, not a great deal. The more rural areas of the South simply do not appear to have the resources to attract enough industry of the necessary quality to assist in alleviating poverty. Nixon and Thompson have shown in a recent study of 159 coastal Southeastern counties in three states (Georgia, North and South Carolina) comprising one of 6 national Economic Development Areas, how the regional maldistribution of present resources reinforces the inability of a region to attract new resources.[46]

For example, they show that as of 1967, only 7 cities in the entire region had populations over 50,000; there fore, it is not surprising that there is a virtual absence of a dispersed urban-industrial base throughout the region. There simply are few cities which could generate such a spread of activity into more rural parts of the region. And the region is heavily rural as well as poverty stricken: over half the counties had no city of 5,000 population or more and 20 percent of all employment was still agriculturally related--compared to 5 percent nationally, as late as 1967. Moreover, the 1965 per capita income of the region was $1,000 below the U.S. level of $2,760, and during the 60's these counties gained only 41 new jobs per 1,000 population.

These figures show only part of a bleak picture. Further assessments of the region's rural counties yielded the conclusion that "local marketing channels, government coordination, and funds for public overhead expenditures are virtually non-existent."[47]

These deficiencies--coupled with the virtual absence of urban centers--are having a deleterious effect upon the region's efforts to attract industry. In the absence of needed governmental assistance, a mounting number of industries is complaining about the prohibitive initial investment costs they must shoulder when they relocate.[48] As industries become more sophisticated in such matters, more will likely find the region's main attraction of a low wage labor pool insufficient to prompt relocation.

Moreover, the types of industires which have relocated to the rural South in recent years have not been the types which could profoundly benefit local economies. Lonsdale has shown this to be the case in his current studies on trends in industrial growth in rural Southern counties (here defined rural if 66.7 percent or more of a county's population was rural in 1960) over the last 20 years.[49] He concludes:

> The bulk of the rural South's new plants in the past decade have been drawn from the following industry groups: textiles, apparel, food products, furniture, chemicals, and electrical machinery. As a general rule . . . these firms are ones characterized by a low payroll per employee, a low value added per production worker, and low capital expenditure per employee. In brief, they are usually labor-oriented, low-profit-margin operations wherein lower labor costs are considered essential to maintain a competive market position.[50]

Secondly, Lonsdale shows that the heavily black rural counties have received little or no new industry during the 60's with industrial growth declining roughly as the proportion of blacks increases.

Insert Table 8

Lonsdale suggests that manufacturing firms are avoiding heavily black counties in the rural South for three basic reasons:

1. Most of these firms are, as noted, low-profit types, thus locating in heavily black counties where the level of education is accordingly low, would require heavy training investments which might cancel out profits.

2. A fear of federal guidelines on fair employment practices exists, in the sense that a percentage employment mix and attendant costs might be forced upon them.

3. There is a widespread conviction that black workers are "easier prey" for union organizers.[51]

These findings suggest that high-profit, high-technology industry, the kind that could give a pronounced boost to local economies, is avoiding particularly the rural South, and that the type of industry that is moving in is both seeking a low-skilled, low-cost labor supply and excluding the rural low income black in the bargain.

In another study of the responses of executives representing 32 plants in rural North Carolina, South Carolina, and Georgia, Lonsdale plumbed the reasons they gave as to why the rural South is unattractive to high profit industry.[52] The drawbacks the executives perceive coincide with the previous observations of Nixon and Thompson. But in addition to the lack of area resources, services, and skilled personnel, these executives suggested that there is high resistance to relocation among technically proficient personnel from other parts of the country based on their assumptions about the rural South. Chief among these are assumptions about the persistence of racial prejudice, dirty small town politics, and poor and ineffectual school systems.

Clearly, the rural South's image as a socially undesirable place to live plays a prominent role in perpetuating the maldistribution of industrial-employment resources within the region and vis a vis the rest of the nation.

In sum, it seems fair to conclude that the South is not receiving widespread benefits from its apparent industrial growth, partly because of the low-profit, low-skilled nature of the plants attracted, and partly because of the low tax revenues yielded by such plants as a result of the tax policies in many of the states governing their assessed valuation. Finally, data suggest in any case that the black in rural areas of the South is largely unaffected by current levels of industrial growth and its distribution throughout the region.

Area Development Versus Income Guarantees

Area Development

These data are convincing enough to conclude that industrialization in the South has not much influenced a redistribution of resources within the region and/or between it and the rest of the nation. In particular, it has had little impact on rural Southern poverty.

But this need not be the result according to a number of theorists who view industrialization as a basic key to regional progress. If industrialization has been ineffective in solving problems in the South--and elsewhere--it is largely because government--particularly the federal government--has too long avoided playing a central role in guiding area development. A variety of plans are put forth in hopes of perfecting the process of redistributing industrial resources ranging from the federal government underwriting incentives to entice industry to relocate[53] to direct federal financing of new industry.[54]

While some of these views may be attractive, especially since redistribution has not occurred as a result of primarily unplanned, uncoordinated economic growth in the region, the record on federally sponsored area development programs is not overly impressive.[55] The fact is, for the most part, such federally sponsored programing has not yet been sufficiently evaluated to yield a definitive conclusion on its overall impact.[56]

In spite of this, we know enough to conclude that federal intervention is no simple panacea. For example, according to one evaluation of area development programs funded by the Economic Development Administration (EDA), it was found that

> a high proportion of the jobs provided by new plants under the EDA program are filled by existing employed workers, and by new entrants and returnees to the labor forces. Thus, the most difficult problem of the distressed areas, the hard core unemployed workers, remains.[57]

Moreover, centralizing the control and financing of industrialization programs in the federal machinery will not in itself resolve the major problems of high level initial capital investment needs previously cited as facing private industry when it contemplates relocating to the rural South.

High capitalization costs also have a substantial influence on the initial effectiveness of governmentally sponsored service programs. Sharansky demonstrated a few years ago the relationship between costs and service outputs, state and local, in governmental programing.[58] He applied correlational techniques to the analysis of 58 measures of service output (both quality and quantity measures) controlling for 6 sources of federal-state-local spending in each of the then existing 48 states. His aim was to compare spending at all levels of government between 1957 and 1962 to evaluate the effect of changes in spending on service outputs.

He found that spending increases do not yield immediate service output increases primarily because increased spending implies program

expansion which in turn implies "tooling up" costs. In other words, a large proportion of increased expenditures must go to purchase equipment, recruit additional personnel, train existing personnel, and to acquire building facilities. Importantly, his findings disclose that such investments are proportionately heaviest in new service programs and in the least affluent states and localities. This latter point simply means that the more impoverished state and local governments have to apply proportionately larger shares of limited resources to tool up than do more affluent governments; hence, their cost burden is greater for a limited amount of immediate return, at least over the short haul.

These findings suggest that area development programing faces the same kinds of hazards (substantial initial capital outlays vis a vis potential for immediate returns) and has been productive of similar and unsatisfactory results (little meaningful impact on non-metropolitan people entrenched in poverty) when compared to industrial development which has occurred in the rural South outside its scope of influence.

Finally, our concentration on the impact of industrial growth in manufacturing upon the economies and employment opportunities in poverty areas of the rural South may be misleading and slightly more positive in tone than is warranted, even though the reader may think the outlook is already dismal enough.

This is so because it can be shown that only manufacturing industries of the types previously cited (e.g., textile, furniture, etc.), have yielded rural areas in the South proportionately greater employment gains than those registered in Southern urban areas in recent decades.

Goodstein's study of urban and non-urban employment growth in the Southern states between 1940-60 shows this clearly.[59] During this time period, the urban share of manufacturing employment expanded greatly only in Florida among the regional states, while the non-urban share rose by a median of 4 percentage points in all other states.

However, the urban share of all non primary employment* exclusive of manufacturing rose from 48.4 percent to 51.1 percent throughout the region during this period.[60] Thus, we are led to the conclusion that however ineffective industrialization has been in improving the lot of the rural poor, it is the only aspect of economic-employment growth that has disproportionately benefitted the rural South in recent times.

Income Guarantees

There is, of course, another approach advocated by some theorists who hold that a maldistribution of existing resources is the root cause of most poverty. It is the approach of redistributing income

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*The non primary employment sector excludes primary industries (fishing, forestry, agriculture) and includes employment in transportation, trucking, communications, finance, insurance, real estate, repair services, professional services, recreation, and public administration (see: Goodstein, 1970, 399).

through federal programing to secure for all families and individuals an adequate standard of living.

The main point made by advocates of this approach is not that industrialization has not worked, but rather that it cannot work because the vast majority of those in poverty are simply unemployable.[61] Thus, one theorist rejections employment as an answer to poverty because

> of the 20 percent (of all low income people) whose money incomes fall below $3,000 per year, three fourths of them are not likely to be restored to economic self support by re-entering the labor market.[62]

It is possible that these remarks reflect a long-standing absorption in urban rather than rural poverty problems. The level of employability among the rural poor in the South may well exceed his estimates for the poverty population as a whole. White's work suggests that under-employment may be as crucial in the rural South as unemployability.[63]

Urban-rural differences in these matters can be clearly seen in the results of a recent study of the employable AFDC population in Georgia.

Insert Table 9

These data indicate that 74.3 percent of AFDC mothers in rural areas are under-employed (part-time workers), unskilled, or can't find work, compared to 26.8 percent of AFDC mothers in urban areas who fall into these categories. But these figures simply point to qualitative differences between rural and urban poverty populations in the South; they do not refute the main contention that full time employment will not lift most of these women out of poverty.[64] After all, 53.5 percent of all AFDC mothers in urban areas of Georgia are already employed full time, testimony enough that work did not even place them above public assistance grant levels let alone lift them out of poverty.

In order to facilitate further analysis, let us concede for the moment the point that the employed as well as the unemployable poor may require income supplementation to upgrade their life circumstances. What then, can planned income redistributions deliver in terms of decreasing the imbalance in geographic and socio-economic resources?

First, if we consider human motivation a resource, there is heated debate over whether or not an income redistribution program would be accompanied by a collective decline in the will toward self improvement among the poor. Lekachman, for example, insists that such a consequence is an inherent and unavoidable property of any income redistribution plan:

> It is impossible to design a program which simultaneously eliminates financial poverty, stimulates incentives, and avoids "unneeded" rewards to the moderately prosperous non poor.[65]

This is a crucial matter because proponents of income redistribution most often assume that increased income will stimulate rather than depress motivation toward self-improvement. Thus, redistributed income is viewed as "seed money" which will have a multiplier effect on reducing the social costs of poverty. Theorists differ widely among themselves on the scope of the multiplier effect envisioned as achievable through planned income redistribution. Some foresee increased income contributing to a decline in a variety of deviant behaviors associated with poverty such as crime, delinquency, unwed motherhood, and so on.[66] Others proclaim more modestly that increased income would at least yield the following:

1. Greater family investment in itself (in terms of education, savings, etc.).

2. Greater geographic mobility (because of residence free income).

3. More practice in consumer choice-making.[67]

All of this is pure conjecture since we have practically no factual information on how the addition of unearned income actually affects the motivation and behavior of low-income people. The one exception to this is the New Jersey Experiment, currently being funded by OEO to test this proposition.

The study itself is of limited usefulness to us because of the fact that it is being carried out on an urban sample.* In addition, the sample is heavily weighted with families having characteristics not commonly associated with the main body of poor people in the nonmetropolitan South. For example, almost all of the 1359 families selected were headed by working aged (20-58 age range) males, 66 percent of whom were employed full time. Only 8 percent of all family heads were totally unemployed. Again, while all families fell below an income line of $5,000 per year for a family of 4, many obviously already had incomes above the poverty lines reflected in the Orshansky index.

Thus, the study has really focused on a group of families already functioning and achieving at relatively high levels at the point of its initiation. It is in this sense only a very limited test of the incentive effects of income supplementation.

In spite of these reservations, what are the reported results to date? At one time or another, officials of the program have

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*Similar studies are now under way to test this proposition among rural people in parts of Iowa and North Carolina. According to a flyer received April 21, 1971, by the Regional Institute, these studies are being conducted by the Institute for Research on Poverty, University of Wisconsin, among 825 dispersed rural farm and non-farm families in the two states.

Statistically, 600 of the families are headed by a male between the age of 18 to 58, 110 by a female in the same age range, and 115 by a male or female over age 58. The first payments were made in the fall of 1969 and will continue for a 3-year period. Other features of the program are similar to the New Jersey design.

reported in various forms of the mass media the following results:

> Earnings increased for 53 percent of the families getting income supplements and for only 43 percent of families in the control group--those who didn't get income supplements but cooperated in the study.[68]

> Those receiving payments tend to reduce borrowing, buy fewer items on credit and purchase more durable consumer goods such as furniture and appliances.[69]

> However, income supplements did not enhance family stability: "When testing began 92 percent of the control and 94 percent of the experimental groups had husbands in households." Data compiled less than 2 years later revealed that husbands present had dropped to 86 percent in the control and 85 percent in the experimental group.[70]

These limited returns are not overly impressive with such a sample; nonetheless, they have moved one high-level OEO official to exude that

> our findings are what we call in the social sciences 95 percent significant now....The final results may show some slight changes, but we feel strongly that the disincentive theory has been laid to rest. We see absolutely no indication of it.[71]

Well, even if this conclusion were warranted, it would put aside only one problem related to the potential effect of planned income redistribution on the life circumstances of the poor in non-metropolitan areas. If true, all we could say would be that we are not diminishing one resource (motivation) by adding another (income).

Carter has rightly pointed out that what we are really talking about when we talk of planned income redistribution is the translation of additional income by the poor into more and better goods and services.[72]

Throughout this paper we have recorded many deficiencies experienced by the non-metropolitan poor in the South running the gamut from infant malnutrition to inadequate nursing home care. The problem is obvious--and probably unresolvable currently: to what extent could additional income be converted by the non-metropolitan poor into more and better goods and services, given present circumstances in their environments?

This question raises a third and final question about the effect planned income redistribution would have upon redistributing resources geographically in the non-metropolitan South as well as socio-economically. It is highly problematic whether planned income redistribution to the non-metropolitan poor in the amounts now envisioned would provide enough of an attraction to entice large numbers of commercial establishments and professional service personnel into these areas. If this did not happen, and assuming the non-metropolitan poor would desire collectively to spend this additional income on goods and services, what might be the impact of planned income redistribution on rates of out-migration among the non-metropolitan poor in the South?

The question is an important one because if income redistribution programs stimulate out-migration by providing the poor with the funds needed to relocate, the programs would be self defeating: imbalances in geographic resources cannot be corrected by encouraging decline in so fundamental a resource as population. The flow, of course, might work both ways by underwriting the return migration of urban residents desiring to relocate to their places of origin.[73] It would seem easiest here to conclude with Christopher Green that planned income redistribution would likely

> reduce both the benefits from and the costs of migration.... Therefore, whether or not imposition of a negative income plan on balance will increase or reduce migration is an empirical question and cannot be answered on theoretical grounds alone.[74]

True enough, but there is sufficient empirical evidence on why the rural Southern poor migrate to warrant something more than a position of neutrality on the question.

For example, evidence is available showing that the better educated and more aspiring among the rural Southern poor are more likely to migrate in search of better life chances.[75] Also, younger rather than older persons are more likely to relocate for economic reasons.[76]

But not everyone moves for economic reasons. In a major study of population flows among poor blacks in 150 Southern counties between 1950-60, Stinner and DeJong discovered that racial discrimination and age also contribute to rates of outmigration under specific socio-economic conditions existing in their counties of origin.[77]

Counties were classified as being one of three types, agricultural, transitional, or industrial. In agricultural and industrial counties, black migration--especially for the young--was clearly related to declines in farm employment and increases in industrial employment respectively. However, in transitional counties where the above declines and increases were tending to balance out job opportunities, the major factor influencing outmigration among the young was white traditionalism, or racially discriminatory social practices.

Of equal importance, it was found that the rate of out-migration among older people throughout all the counties was most directly related to the twin factors of non-ownership of housing and problems in personal management requiring family support. This last feature bears out the suspicion that older rural people may move primarily to be among familiar others and to receive the attention and care of family members not otherwise obtainable in their rural areas of origin.[78]

From this we get no answers, but we do get a couple of more specific questions:

1. Would planned income redistribution fulfill the aspirations of the young in the nonmetropolitan South, enough to make them want to stay?

2. Would additional income from such a program yield the quality and quantity of goods and services for the older nonmetropolitan resident necessary to make his continued residence in such areas possible?

In sum, we have labored over the details of what we seem to know about the potentials and actual impact of area development and guaranteed income plans and programs. We have done so because these are the major resolutions to poverty proposed by those theorists who hold that the dominant cause of poverty is the combined geographic and socio-economic maldistribution of existing national resources. The line of reasoning simply put is that maldistribution must be met by redistribution.

Thus far we have attempted to assess the extent of maldistribution of resources in the nonmetropolitan South and between it and the rest of the South and nation. Secondly, we have attempted to assess the redistributional effect of programs and plans set forth to aid the nonmetropolitan Southern poor by this means. It remains now to conclude by addressing the feasibility of redistribution on a scale which would end nonmetropolitan Southern poverty within the context of current political realities.

The Politics of Maldistribution

Generally speaking, there seems to be no widespread commitment to the goals of resource redistribution in American society today. Materials presented in this paper indicate employers do not develop hiring practices primarily to meet social goals, industries do not relocate where high investment in training or the imposition of fair employment practice demands are likely, professional service personnel do not dot the rural landscape in large numbers, income protection programs fall far short of poverty level needs, and so on. These less obvious signs are often accompanied by more direct and heated actions and sentiments as reflected in skilled labor union exclusions of black trainees, and the following editorial evaluation of Senator Holling's current interest in expanding food programs for the hungry poor. The Senator is implored to

> spend time listening to legitimate complaints of self-reliant working people who are squeezed by taxes for welfare programs and who pinch pennies while a horde of handout types pay for their groceries with food stamps provided by officeholders who politically advertise themselves as humanitarians.[79]

This overall "atmosphere" of antipathy toward redistribution probably helps sustain the inadequate property tax structures evidenced by many Southern state and local governments. Moreover, it probably has something to do with what planners perceive to be resistance to outside intrusion among officials of local rural governments.[80]

In the rural South, this resistance to planned redistribution of resources takes on distinct racial overtones among local officials. This is clearly evidenced in a recent report on the political

reaction to an OEO program proposal aimed at improving the lot of poor black farmers in southwest Alabama by financing a rural farm co-op.[81]

Both Alabama senators and 4 of its 8 representatives lobbied strenuously against implementation of this program on behalf of "many of the county and city officials,....as well as the owners of the major packing companies in the area."[82] Ultimately they succeeded in delaying implementation and reducing overall funding by about one third. Redistribution apparently implied not only increased economic competition, but perhaps political and social status realignment between the races. For these and perhaps other reasons, responsible elected officials sought to impair the potential for economic progress among their fellow citizens.

The question does arise, of course, as to whether redistribution can come about for nonmetropolitan Southern blacks by reversing the process, that is, achieving economic redistribution by first obtaining a greater share of political power. At first glance, prospects seem bright. Black voter registration in the South has climbed dramatically in recent years, especially so immediately after enactment of the Voting Rights Act of 1965.[83]

But the effect of this additional political muscle has been pronounced only at the local level of government, and then only for certain types of elective office:

> Although the number of black elected officials increased dramatically from 72 in 1965 to 473 in mid-1969, they have been disproportionately represented in a limited number of local offices. The largest number....were municipal officials; but 93 percent of these positions were in city councils. In addition, 83 percent of the black law enforcement officers were justices of the peace or constables....Only 5 of 30 black legislators in the South were in state senates.[84]

These authors take the signs of progress in their research as evidence of a slow erosion of white political power in the South. Perhaps, but in noting that blacks have made greatest inroads in low-level local government positions, a question arises as to whether blacks are simply getting elected to offices within jurisdictions having black voting majorities. Since black dominated communities and counties in the non-metropolitan South are among the most impoverished, black officials may simply be inheriting already ineffective government machinery. The extent to which blacks are gaining control over their own destinies through command of local elected offices may be more apparent than real, the erosion of traditionalist--and racist--white power more fiction than fact.

Concluding Remarks

The maldistribution theorist must first establish the nature and extent of the maldistribution of income, goods, and services. Insofar as national averages for income, industrial growth, service facilities, professional manpower, and so on, can serve as standards, it is clearly demonstrable that the nonmetropolitan South lags behind

on almost every count.

Secondly, he must show whether efforts to reduce imbalances have had a noticeable effect on the level of poverty and destitution among nonmetropolitan Southern people. In this matter, the evidence is less than convincing. Efforts, sometimes major efforts, at rural industrialization, area development, income protection, and the like cannot be shown to have had much impact upon reducing the extent of nonmetropolitan poverty in the South or upon stemming the flow of the poor out of their areas of origin.

Whether planned redistribution is the answer to nonmetropolitan Southern poverty (that is, whether maldistribution is the dominant cause) or not, cannot be responded to definitively. Those programs that reach the nonmetropolitan poor (e.g., income protection) simply are not of a magnitude necessary to affect redistribution; therefore, they produce no measurable redistributive impact. Those programs which seemed to hold promise of major impact (e.g., industrialization and area development) on poverty have not and currently do not reach the nonmetropolitan Southern poor; therefore, they show no measurable redistributive effect either.

Since the entire Maldistribution Thesis rests on the premise that planned intervention in redistributing resources geographically and socio-economically is required, it will likely not be put to an adequate test until the political climate in the nation, and particularly the South, shifts away from the politics of maldistribution and toward the politics of redistribution.

TABLE 1

Basic Needs Standards and Percentage Met by the States for AFDC and OAA Programs, April 1968

	AFDC Basic Needs Standard	% Met	OAA Basic Needs Standard	% Met
	177	50	125	66
Florida	185	45	111	68
Georgia	198	63	80	90
Kentucky	216	86	90	100
Mississippi	201	27	96	52
North Carolina	144	100	94	100
South Carolina	172	54	82	92
Tennessee	198	61	92	98

Source: The President's Commission on Income Maintenance Programs, *Background Papers*, 1970, Tables 6-2-7 and 6-2-8.

TABLE 2

Hospital, Nursing Home, and Neighborhood Health Center Capacities, by State (1968)

	(1) No. Non Profit General Care Hospital	(2) No. Hospital Beds per 1,000 Population	(3) No. Nursing Home Beds per 1,000 Population over 65 Years	(4) No. Neighborhood Health Centers	Total Size of Potential Service Populations
United States	4305	7.9	44.5		
Alabama	87	7.5	29.2	2*	32,000
Florida	106	6.7	28.9	1	20,000
Georgia	98	7.3	33.2	1	30,000
Kentucky	82	6.9	36.5	3**	50,000
Mississippi	70	7.3	17.8	2**	24,000
North Carolina	105	6.6	37.4	NA	—
South Carolina	56	7.5	26.8	1	25,000
Tennessee	81	7.5	23.6	1	18,000

*One rural Center

**Two rural Centers

Sources: Column 1, Planned Parenthood—World Population, Center for Family Planning Program Development, *Need for Subsidized Family Planning Service*, 1968, Table 1.

Columns 2 and 3, U.S.D.H.E.W., P.H.S., *Health Resources Statistics*, 1970, Tables 174 and 182.
Column 4, The President's Commission on Income Maintenance Programs, *Background Papers*, 1970, Table 9.6-1.

TABLE 3

Professional Health Service Personnel, by States (1968)

	Non Federal Dentists (per 100,000 pop.)	Production of Dentists 1968	Non Federal Physicians (per 100,000 pop.)	Production of Medical and Osteopaths 1968	RN Nurses Employed 1966 (per 100,000 pop.)	RN Grads 1968
United States	53		132		313	
Alabama	29	42	75	71	168	85
Florida	45	—	126	132	369	171
Georgia	28	67	93	159	156	69
Kentucky	33	94	90	150	198	100
Mississippi	25	—	69*	65	157	17
North Carolina	28	45	91	203	244	183
South Carolina	22*	45**	72	66	217	43
Tennessee	36	141	102	240	175	116

—Represents none.

*Lowest in nation.

**1st graduating class 1971.

Source: U.S.D.H.E.W., P.H.S., *Health Resources Statistics: Health Manpower and Health Facilities,* 1969, 1970, Tables 37, 40, 85, 87, 93, and 98.

TABLE 4

Number of Public Family Planning Programs and Unmet Needs Among Nonmetropolitan Medically Indigent Women, by States (1968)

	No. of Hospitals with Family Planning Programs	No. of Counties with OEO Family Planning Programs	No. of Women in Need (Millions)	%Unserved Total States*	% Unserved outside SMSA's	% of Total State Need outside SMSA's	% of Total Services Rendered outside SMSA's
United States	435	170	5.367	861	950		19
Alabama	2	5	.175	81	85	57	45
Florida	7	2	.229	79	82	40	33
Georgia	7	2	.205	88	94	65	32
Kentucky	6	1	.142	92	95	81	50
Mississippi	2	5	.136	90	90	87	89
North Carolina	6	8	.231	87	92	75	47
South Carolina	3	8	.133	84	85	67	63
Tennessee	10	1	.186	94	100	64	.05

*All percents rounded for clarity of presentation.

Source: Planned Parenthood — World Population, Center for Family Planning Program Development, *Need for Subsidized Family Planning Services,* 1968, 34 ff., Table 1.

TABLE 5

Institutional Services and Community Action Programs, by States

	(1) No. CAP Programs (1968)	(2) No. Aged, Disabled Blind Receiving Residential Care Funded by Welfare Payments (Nov. 1970)	(3) No. AFDC Children in Foster Homes (Nov. 1970)	(4) No. AFDC Children Penal Residential Receiving Non-Penal Residential Care (Nov. 1970)
United States	2,016	155,000	43,400	3,400
Alabama	44	840	960	0
Florida	38	1,100	420	0
Georgia	130	470	1,100	0
Kentucky	97	NA	980	76
Mississippi	37	NA	NA	NA
North Carolina	80	NA	1,600	0
South Carolina	46	590	69	0
Tennessee	86	5,400	1,100	130

Source: Column 1, *Need for Subsidized Family Planning Services,* Table 1.
Columns 2-4, U.S.D.H.E.W., S.R.S., N.C.S.S., *Public Assistance Statistics,* 1970, Tables 11 and 14.

TABLE 6

Some Indicators of Industrial Gains in Manufacturing Activities, 1960-67, by States

	% Increase in Cost of Materials (1960-67)	% Increase in Value Added (1960-67)	1967 Rank by Amount of Value Added	1967 Rank by Total Value of Shipments	% Increase in New Capital Expenditures (1960-67)	1967 Rank by Amount of Capital Expenditures
Alabama	29.0	80.4	6	6	87.6	5
Florida	30.2	105.5	4	7	96.7	7
Georgia	27.2	87.9	3	2	144.7	2
Kentucky	22.4	87.1	5	5	196.5	6
Mississippi	30.6	133.9	8	8	573.1	8
North Carolina	26.5	73.7	1	1	177.0	1
South Carolina	20.5	76.1	7	4	188.8	3
Tennessee	35.1	92.1	2	3	93.4	4

Data Source: U.S.D.C., B. of C., *1967 Census of Manufacturers,* Area Series MC67(3), 1, 10, 11, 18, 25, 34, 41, and 43, Table 2.

TABLE 7

Income Elasticities of Gross Assessed Values of Locally Assessed Taxable Real Property, by Classes of Property, 1956-66

	Total	Residential	Acreage-Farms	Vacant Lots	Commercial Industrial
Alabama	.95	1.21	.79	.07	.62
Florida	1.88	1.82	.61	2.28	1.65
Georgia	1.40	1.40	1.48	1.34	1.34
Kentucky	3.08	3.31	3.10	2.74	2.65
Mississippi	.70	.80	.58	.81	2.57
North Carolina	1.27	1.56	1.08	1.79	1.12
South Carolina	.47	1.29	-.44*	.00	1.61
Tennessee	.88	1.11	.11	.76	.84

*Value declined during time period.

Source: L. Davis and R. Miller, "Trends in the Growth of the Property Tax Base in Georgia and other Southeastern States," *Atlanta Economic Review*, XX (November 4, 1970), 23, Table 2.

TABLE 8

Comparison of Industrial Growth and Percent of Population Negro, for 21 Rural Counties in North Carolina, Georgia, and Mississippi

Percent of Population Negro, 1960	Number of Rural Counties	Increase in Manufacturing Employment, 1958-66, per 100 of 1960 Population
0 - 9.9	45	4.66
10 - 19.9	19	4.77
20 - 29.9	26	2.77
30 - 39.9	34	3.22
40 - 49.9	37	2.51
50 - 59.9	24	2.11
60 - 69.9	20	1.50
70 and over	10	1.05

Source: R. E. Lonsdale, "Deterrents to Industrial Location in the Rural South," *Research Previews*, XVI (April 1, 1969), 4, Table 1.

TABLE 9

Employment Status of Employable AFDC Mothers in Georgia by Urban-Rural Residence, 1969 (in Percents)

	Urban	Rural
Employed Full-time	53.5	17.8
Employed Part-time	19.3	40.1
No Marketable Skills or Suitable Employment Available	7.5	17.8
Actively Seeking Work	17.1	5.8
Not Actively Seeking Work	2.6	2.1

Source: Georgia Department of Family and Children Services, Division of Research and Publications, *The AFDC Family in Georgia*, 1969, 19.

FOOTNOTES

[1]Seligman, B. B., Permanent Poverty: An American Syndrome, Chicago: Quandrangle Books, 1968, p. 35.

[2]Hendrix, W. E., "Income Improvement in Low-Income Areas," Journal of Farm Economics, XLI (December 5, 1959), pp. 1065-75.
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